



Report on the  
Governor's Finance Summit  
January 5, 2010



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April 30, 2010

Governor Otter,

Thank you for convening the 2010 Governor's Finance Summit last January, and for inviting us to review testimony with you and Lt. Governor Little. We are pleased to report the Summit was a successful and significant step in realizing the goals of Project 60.

The Finance Summit further familiarized business leaders from throughout Idaho with your vision for the State's economic future, and your commitment to finding creative ways to optimize our resources — and in particular our human and financial capital — to lead Idaho and the nation out of the economic environment in which we currently find ourselves.

The business leaders who participated in the Summit shared their challenges as well as many excellent suggestions for stimulating economic growth around our state. Just as in the previous Summits that you have convened, the panelists gave candid, thoughtful testimony about the issues shaping our State's economy today and tomorrow. Many distinct recommendations emerged from the half-day of testimony. We and our staffs have worked with the panelists to consolidate and prioritize those recommendations and the following four actionable categories surfaced:

- ***Infrastructure to support mid-level investment deal-flow***
- ***Expanded availability and access to seed/early stage investment capital***
- ***Development and support of investment funds for all business and investment levels***
- ***Aggregation and promotion of available resources at all levels***

The panelists' suggestions and observations were reviewed thoroughly, which ultimately resulted in the enclosed report detailing a handful of formal recommendations for your consideration. As always, we look forward to working with you to develop Idaho's resources and expand the economic promise of our citizens.

Kind regards,

Donald A. Dietrich, Director  
Idaho Department of Commerce

Gavin Gee, Director  
Idaho Department of Finance

## BACKGROUND

Two prior Governor's Summits—the Business Summit held in August 2009, and the Innovation Summit held in September 2009—produced a significant number of recommendations from panelists in those respective industry groups that access to financial capital was a common and persistent challenge faced by businesses in Idaho, and that something needed to be done to expand the availability of capital resources. On January 5th, 2010, Governor C.L. “Butch” Otter convened the 2010 Governor's Finance Summit at the URS Washington Group Plaza, in Boise, Idaho. The purpose of this event was to provide a forum for a broad segment of Idaho's financial community to describe the current conditions in their finance sectors, the challenges they face in the current economic climate, and what solutions they would propose — in partnership with state government — to address those challenges. The Governor organized the event to support **Project 60**, his economic development strategy to take Idaho's \$51 billion economy to \$60 billion through comprehensive systemic growth, domestic business recruitment, and increased international trade and investment in Idaho. This collaborative approach would require public and private partnerships to preserve the best aspects of Idaho's stable, business-friendly tax and regulatory environment while minimizing the barriers and obstacles to future growth. The Governor's Finance Summit was an important milestone in building those partnerships and setting the stage for effective public policy.

Governor Otter, Lieutenant Governor Brad Little, Commerce Director Don Dietrich, and Finance Director Gavin Gee heard testimony and recommendations from 19 panelists who participated on four panels: Mid-Level Investment Capital; Commercial Banking; Angel Investment, Venture Capital & Broker Dealers; and Government Funding Authorities. Panelists were geographically selected to represent a diversity of views within each finance sector. All panelists were executive decision-makers. Each panelist had the opportunity to present answers to questions posed in-advance by the review committee. The Governor also

encouraged them to provide recommendations for policy changes that might improve financial conditions moving forward. A short question-and-answer period followed the conclusion of all prepared remarks during each panel.

## RESULTS

Panelists' testimony was video recorded during the summit and a resulting 46-page written transcript was produced from the video. Panelists recommended a wide range of policy options to promote economic growth – 61 distinct recommendations were identified. The Idaho Department of Commerce solicited follow-up clarification from panelists in the weeks following the event. Commerce worked with the Governor's Office to collate and condense the recommendations for analysis by the Commerce and Finance Directors. Director Gee and Director Dietrich collaborated to prioritize the list of recommendations and to produce this final report to the Governor on next steps relative to financial resource development.





## RECOMMENDATIONS

The process of reviewing, compiling and condensing the 61 distinct suggestions presented by the Finance Summit panelists resulted in the identification of proposals in the following categories:

- 1. Infrastructure to support mid-level investment deal-flow**
- 2. Expanded availability and access to seed/early stage investment capital**
- 3. Development and support of investment funds for all business and investment levels**
- 4. Aggregation and promotion of available resources at all levels**

The Finance and Commerce departments' subsequent analysis of the recommendations within these categories produced the following summary recommendations which are hereby submitted to the Governor:

### ***Infrastructure to Support Mid-Level Investment Deal-Flow***

Mid-level investment and mergers & acquisitions (M&A) deals are generally acknowledged to take place among companies with between \$10 million and \$100 million in annual revenues. These investment and M&A deals are the vehicles that move companies from small to mid-sized and from mid-sized to large. Testimony at the Finance Summit indicated that while deals in this space do occur in Idaho, the number of such deals is limited. A lack of basic infrastructure to support such deals was cited as one of the primary reasons for this limitation.

In larger markets, mid-level investment and mergers & acquisitions deals are managed by investment banks. The "I-banks", as they are sometimes called, represent an established infrastructure that possesses both skill and passion for these deals. Their passion stems from the large paydays that the I-banks typically realize from the process of managing these deals and from the debt instruments and equity positions that they negotiate through the process. In other words the I-banks assume a vested interest in both the successful consummation of the deals and the resultant companies.

Idaho is not home to any investment banks. In most cases, when a company reaches the size where mid-level investment or an M&A process is necessary, they will look to I-bank resources outside the state. This often results in the smaller company being attracted or coerced out of the state, by the I-bank, the mid-level investment source, or the merging/acquiring company. Unless the Idaho company has a very strong commitment to remaining in Idaho — as exemplified in the ProClarity/Microsoft deal — their negotiating position relative to location is compromised. The resources that will facilitate the growth the company needs will have stronger leverage.



Mid-level deals that do occur in Idaho are usually managed by corporate attorneys. These lawyers certainly have an understanding of the "nuts and bolts" of mid-level investment and M&A as well as the ability to manage and negotiate the process. However, corporate attorneys lack the "passion" for these deals due to the fact that they have a very limited ability (and desire) to take a vested interest in the results of the deal. They don't have much "skin in the game."

For someone who owns a fast growing and profitable company that needs additional capital to finance growth or expansion, there are very few, if any, local sources of alternative financing. In addition, there is no widely known or obvious central source of information on what local capital is available in the state.

– Mr. Bill Gilbert, Founder/Partner, The CAPROCK Group



Similarly, M&A consulting firms — a few of which do exist in Idaho — may be retained by the Idaho company, but these firms generally lack the resources to actually fund the process — thereby taking an active stake in it — and they primarily guide the company toward I-bank resources out of state or toward the corporate attorneys.

Another symptom or side-effect of not having I-bank infrastructure in Idaho is that deals that do take place usually do so “under the radar” or outside the view of stakeholders who would advocate for keeping the resultant company in Idaho. In other words, when a deal is being negotiated by an investment firm or I-bank outside of Idaho, there is very little or no opportunity for pro-Idaho interests — like the Governor, the Director of Commerce, a legislator, mayor, or local chamber of commerce president, for example — to influence the location decisions of the investors, the I-bank, or the merging or acquiring company.

Simultaneously, deals that take place “under the radar” do nothing to publicize or promote the fact that mid-level deal-flow is occurring in sufficient quantity in Idaho to attract an investment bank.

The snap conclusion to these inconvenient and counter-developmental circumstances is that, “Idaho needs to get an investment bank headquartered here that will be committed to processing deals for companies that stay here.”

1 Unfortunately Idaho does not have enough obvious deal-flow occurring in the mid-level range to sustain or attract an I-bank. The following set of recommendations is offered to

simultaneously present an alternative to having an I-bank, and to stimulate and promote the deal-flow necessary to attract one.

**Idaho should establish a private-public partnership organization which acts as a “clearinghouse” for mid-level investment and merger & acquisition deals.**

Testimony at the Finance Summit suggests that an entity is needed that will monitor the mid-level business market in Idaho; centralize and consolidate resources to support that market; match companies seeking investment/M&A with appropriate, local resources as permitted by existing law; and alert appropriate stakeholders when deal-flow is occurring or imminent.

The appropriate make-up of this group — which could be termed a “Business Resource Council or Coalition” — would be experienced professionals who have had success in managing or participating in the process. Retired executives of I-banks (or active I-bank executives if they are willing to participate and travel), executives of companies who have successfully negotiated the process, and active members of investment firms or groups who work in the mid-cap market space are recommended. While corporate attorney and government representation may be appropriate, their involvement should be limited unless the representative also happens to possess the experience of the other executives.

This group would not only monitor and assist with deal-flow in the mid-cap space, but they would gather data relative to the deals that take place, cleanse that data of confidential or proprietary information and aggregate it to insulate the parties to deals, and then feed that data to the governmental research and analytics entity described in the next recommendation.

Idaho should establish and/or fund a statewide governmental business analytics and research entity responsible for compiling data and measuring performance relative to business formation, growth, and investment.

A glaring limitation relative to business growth and deal-flow is Idaho's lack of data and information relative to revenue, investment (either attracted or made), and M&A. The failure to measure and to statistically account for business growth and deal-flow makes it impossible to make the case to merchant banks and I-banks that Idaho can sustain one of their offices here. It also makes it impossible to measure improvement or decline, or to compare Idaho's performance in these areas with other markets.

The Idaho Department of Labor is a reasonably good source of data relative to the number of companies, employment, and wages. It does not, however, measure revenues, investment, deal-flow, or successful transactions. The Idaho State Tax Commission might be an excellent source of data relative to revenues and some investment; however it is prohibited by law from releasing most taxpayer information.

The Department of Commerce appears to be the appropriate State agency in which to house a business analytics research function; however, it does not have the human or financial resources to initiate or sustain such a project under current budgetary limitations.

It is recommended that the State legislature be entreated to provide funding and personnel to accomplish this vital task, either through the Department of Commerce or elsewhere; alternatively, the Legislature could remove this statutory function from Commerce and provide

State agencies that already gather data with the capacity to gather additional data, and a mechanism to cleanse, aggregate, and release the data they gather so as to make it readily available while protecting the confidentiality of its sources.

It is further recommended that one or more of Idaho's excellent business analytics software companies be consulted and perhaps contracted with to provide an efficient and cost effective solution by which the State can manage this process.

It is conceivable that private companies and individuals would be reluctant to provide some data that would be helpful in measuring the State's performance, and it is for this reason that a trusted, private entity like the one suggested in the previous recommendation, be charged with the collection of voluntarily disclosed information from these companies and individuals. That entity would be responsible for preparing the data for release to the governmental entity provided through this recommendation, which would merely compile and report on that data.

Idaho should work, over time, to attract or establish merchant banks, investment banks, or both.

The two previous recommendations are a means to this end. Idaho must either show existing I-banks in other markets that it has the deal-flow to sustain one of their offices here, or it must encourage the establishment of a new I-bank here.

### ***Expanded Availability and Access to Seed/Early Stage Investment Capital***

Repeatedly at the Governor's Business, Innovation, Finance, and now Small Business Summits, business leaders decried the shortage of capital to start their businesses and move them to the next level. The State's university presidents similarly indicated that moving ideas from the laboratory to the market requires "gap funding."



Filing Status	Accredited Investor Threshold	Number of Returns Filed				
		2004	2005	2006	2007	2008
Single	\$200,000	607	819	933	979	707
Married Filing Separately	\$200,000	43	60	61	62	41
Married Filing Jointly	\$300,000	3,007	3,858	4,347	4,429	3,526
Head of Household	\$200,000	142	179	189	190	156
Qualifying Widow	\$200,000	0	3	2	2	4
Total		3,799	4,919	5,532	5,662	4,434

Source: Idaho State Tax Commission, Idaho Department of Commerce, 2010

**Table 1: Idaho Taxpayers Exceeding Accredited Investor Threshold**

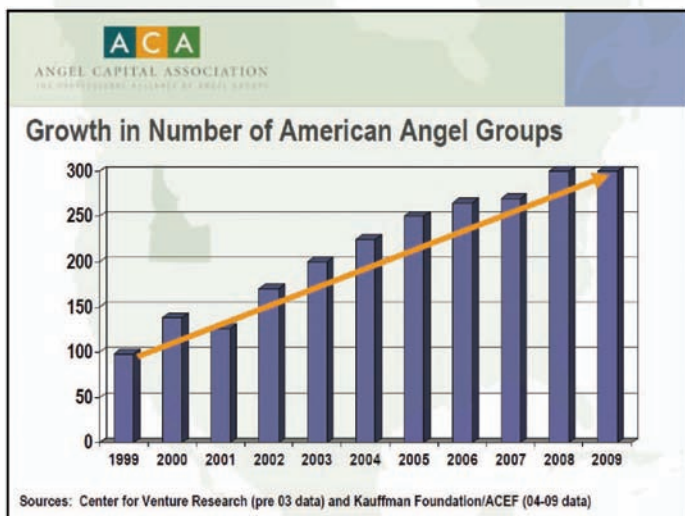
The following recommendations are offered as potential means to expanding the availability of seed and early-stage investment capital:

Idaho should undertake a comprehensive strategy to increase the number of angel investment, venture capital, and other types of investment funds/groups, as well as the number of members who participate in them.

Idaho has long enjoyed a very high per-capita percentage of high-net-worth individuals and families. The current SEC definition of an “accredited investor” is a person having either a personal income of \$200,000 per year or household income of \$300,000 for two consecutive years (and an expectation that income level will continue) or a household net worth of \$1 million. (These income parameters—which have not been increased since 1982, are currently being reviewed by Congress as part of the financial

regulatory reform effort.) Accredited investors are deemed to be sophisticated enough about financial matters to understand the risks and to make sound and reasonable decisions relative to an investment. Offerings to these individuals receive minimal, if any, scrutiny and regulation by the SEC. This facilitates their direct investment in small companies and in Regulation D offerings such as private placements of companies or investment funds.

Table 1 illustrates the number of Idaho taxpayers who filed returns that exceeded the income threshold for accredited investor status each of the past 5 years (2004-2008). While the Tax Commission does not compile data relative to the number of these filers who exceed this threshold over two successive years, this data can be used as a rough estimate of the number of accredited investors in Idaho. Therefore, it can be assumed that in 2008, Idaho had more than 4,000 accredited investors statewide. Yet, the most aggressive estimate of the statewide number of Idahoans that actively invest in business start-up or early-stage growth investment is only about 200—less than 5% of those eligible.







We are down 35% in volume. We don't see any fewer companies, we are down 35% in the amount of capital across that broad membership that's been applied this year from angel capital sources in our group.

—Mr. Phil Syrdal, President, Keiretsu Forum, Idaho Chapter

According to the Angel Capital Association (ACA), nationally, the number of angel investment groups has increased by 50% since 2003. While angel group membership has increased in Idaho, the state has not added any angel groups during that time. (The Boise Angel Alliance and RainSource Capital are currently working to develop angel groups in Eastern and South Central Idaho.)

It is recommended that Idaho angel and VC groups, business and economic development associations and State government undertake a campaign to increase the number of active angel and VC investors by raising awareness among this demographic about the process, opportunity, and even fun of start-up company investment and/or angel or other investment group membership. This awareness campaign can appropriately address the risk of such investments and limitations imposed by state and federal securities laws while encouraging qualified Idahoans to attend investment clubs, events, or social functions.



Trusts — including foundations and endowments — with more than \$5 million in assets are also considered accredited investors. Typically, Idaho endowment and trust funds — including its many public endowments — are invested in securities instruments and funds that are managed outside the state. Idaho's investment campaign should also encourage endowments and foundations throughout the state, consistent with their fiduciary duties to the funds managed, to actively invest some portion of their assets in Idaho companies and other investment vehicles (such as VCs) that invest in Idaho companies. The Public Employee Retirement System of Idaho (PERSI) is an example of a fund that has chosen to allocate a high-risk portion of its investment portfolio in this way.

Idaho should revive the Grant Proposal Incentive program to stimulate businesses' application for federal funding.

In 2006, the Idaho Legislature enacted the Small Business Assistance Act and allocated \$100,000 to fund a program within the former Department of Commerce and Labor to encourage small businesses to apply for federal grants, primarily through the Small Business Innovation Research and Small Business Technology Transfer (SBIR/STTR) programs administered by 11 federal agencies. The first iteration of the program administered by the Department of Commerce and Labor resulted in 20 companies receiving grants of up to \$3,000 to reimburse them for expenses incurred in applying for

While Idaho has a myriad of incentive programs already in place, we would propose that incentive programs be made available to those companies that directly help further the growth of targeted industries in the state.”

—Mr. Alan Hallberg, Chief Credit Officer, Commerce Bridge



federal grants. These grants motivated several companies who had never pursued federal funding to produce proposals and more than \$5 million in awards were received by Idaho companies who applied, including more than \$1.5 million by companies who had never applied before.

Despite its success, that program was not recommended for continuation for FY2008; however the legislature elected to re-fund it with \$150,000 in 2009 (for FY2010). The Grant Proposal Incentive (GPI) program, as it was renamed, was expanded to provide reimbursement grants and assistance to companies applying for any type of federal funding (not just SBIR/STTR) including loan guarantees and broad area announcements. That program awarded assistance and grants to more than 25 companies which have resulted in the attraction of more than \$105 million in federal grants and loan guarantees to-date, many of

which were awarded to companies who had not applied for federal funding before. These financial benefits constitute an ROI of more than 700 to 1 on the \$150,000 that the legislature appropriated for this program.

The program was not funded for continuation in either FY2010 or FY2011. Mark Strait, the Department of Commerce’s Federal Funding Coordinator has applied for federal funding through the Small Business Administration’s F.A.S.T. program in order to preserve the program. In the absence of funding, his services will be limited to grant proposal review and consultative assistance.

It is recommended that the GPI program be re-established and inserted as a base-budget item within the Department of Commerce for FY2012, and that other creative means be sought to fund the program using State monies for FY2011.



“I support Kevin Learned's idea of an angel tax credit for investing in startup technology companies. It's been very successful elsewhere. There are a handful of parameters that have been set up through trial-by-fire in other states, and the model has played out and it's been a successful program. That's something we should probably investigate here.”

—Mr. Mark Solon, Managing Partner, Highway 12 Ventures

Idaho should implement tax incentives to encourage angel and/or venture capital investment.

Several of Idaho's sister states have employed tax incentive strategies to encourage seed/early-stage investment. These strategies have three goals: 1) to incentivize investors to mobilize investment dollars that might otherwise remain idle, 2) to expand availability of investment capital to companies—increasing expenditures and payroll by those companies, and 3) to attract businesses to Idaho that would seek access to the investments stimulated by such incentives.

Many panelists at the Business, Innovation, and Finance Summit recommended using tax incentives to encourage investment. During the 2010 legislative session, the Department of Commerce worked on draft legislation that would provide tax incentives, vested over 4 years, to investors who invested in pre-qualified companies that agreed to apply 50% of the attracted investment to new, Idaho payroll.

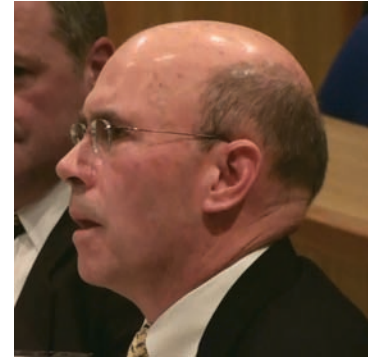
It is recommended that the Departments of Commerce and Finance, and the Tax Commission work together through the summer to improve this previous piece of legislation and re-submit it for the 2011 legislative session.

Alternatively, it is recommended that new legislative tax incentives be pursued and supported.

### ***Development and Support of Investment Funds for All Business and Investment Levels***

Idaho should establish an investment fund to provide growth capital to Idaho companies.

The State of Idaho has constitutional limitations on the investment of public monies for the direct benefit of private companies. However, other states have used private-public partnerships or quasi-governmental entities to facilitate investment in in-state businesses. It may be appropriate for state government, to the extent permitted by law, to encourage the establishment of such a fund that accumulates and invests private dollars for this purpose.



During the Finance Summit, one panelist — Mr. Jerry Sturgill, the Managing Partner of Outlook Capital — best characterized the benefits that such a fund would provide:

“The creation of an on-the-ground, Idaho-centric Fund would, among other things, have the following three affects:

1. Most importantly, first, the Fund would help grow companies in Idaho. Funds expect and facilitate growth. A Fund has (or gathers) the expertise to improve operations and create expansion opportunities. As an aside, this could have a substantial positive effect on the Idaho economy at large. Based on Dun & Bradstreet data, I estimate that Idaho nonfarm mid-market businesses in the manufacturing and service sectors represent in the range of \$15B of aggregate annual revenue. Even modest growth in this category would be meaningful.
2. Second, one fund attracts others—like bees to honey. A fund helps create awareness and validates investment opportunities. A Fund would be an organizing force behind ‘syndicated’ or ‘club’ transactions, thereby creating markets for Idaho investment opportunities.
3. Third, a Fund would stimulate other financial infrastructure. In addition to attracting other funds, a Fund catalyzes activity for the financial sector, such as for banks, investment banks, accountants, appraisers and lawyers. A Fund can also provide leadership for education and coordination within a market, so all boats would rise together.”



It is recommended that the Department of Commerce and the Department of Finance work together to facilitate the creation of a private Idaho-centric business investment fund with a charter to identify and invest in the expansion of Idaho businesses at all levels.

It is further recommended that the State incorporate investment into a growth capital fund as part of its investment incentivization strategy. For example, tax credits that might be offered for investment into businesses might also be made available to investors who invest in an Idaho-centric investment fund.



### ***Aggregation and Promotion of Available Resources at All Levels***

At each of the Governor's Summits, business leaders have commented that there is not a single point — a one-stop-shop if you will — for information relative to available business resources throughout Idaho.

There have been several attempts:

1. Perhaps the best and most comprehensive effort in this direction is a website called "idahobizhelp.org", also called "Idaho Small Business Solutions", also called "Business Wizard", developed and maintained by the Idaho Small Business Development Center (ISBDC) headquartered at the Boise State University campus with 6 campus locations statewide. This has been an outstanding

effort and should be applauded. The site contains an exhaustive list of resources, and does a good job — through its wizards — of guiding a company through determining its stage of development and identifying its needs, and matching available resources to those needs. The challenges relative to this site are that:

- a) it appears to be so specifically focused on very small and start-up businesses that larger companies tend to disregard it as a resource;
- b) the site has not kept pace with developments in internet technology, so therefore it appears somewhat outdated despite the valuable resources and references that it contains;
- c) the breadth and scope of the resources that the site references, and the continuous need to update them, have overwhelmed both the budgetary and the human resource capacity of the ISBDC;
- d) while the site does a remarkable job at referencing resources in all regions of the state, this aspect could still be improved; and
- e) the site is still virtually unknown, largely because there is little funding to market it and marketing has not been a focus of the organization.

2. The business.idaho.gov, multi-agency State resource website resides on a server managed by the Department of Labor and is maintained on a limited basis by the Department of Administration. Due to the fact that the majority of the content of this site is Idaho government resources, a single person at the Department of Administration — who has extensive other responsibilities — has assumed the role of "gatekeeper" for content on the site. The Department of Commerce — like other agencies — is permitted to submit content for the site, and participates on a site management committee with other agencies.



“It would be ideal to have some kind of state clearinghouse, perhaps attached to the Governor’s Office, where people could go, and I don’t know whether you have that now or the Department of Commerce, and download opportunities with federal agencies or state agencies or the private sector.”

—Mr. Wally Hedrick, Idaho State Director of Rural Development, U.S.D.A. Rural Development



The “committee” has met two times in the past two years. The site employs rudimentary internet technology. It is technologically equal to the IdahoBizHelp (ISBDC) site, but references far fewer resources. There are many broken links on the site and it references outdated material and agencies, some of which no longer exist. While there are private resources linked on the site, it is clear from a cursory review of the site that its primary objective is to promote Idaho State government resources available to businesses. As with the ISBDC site, little money has been allocated to design, update, maintenance, or marketing of this site, nor are there any FTEs allocated to manage it.

3. The Idaho.gov website has a business link that lands on Idaho.gov/business. This site is infinitely more attractive than either of the other two sites, primarily because its technology was updated slightly in 2009. Unfortunately, the links here only forward the guest to the outdated and broken information on the business.idaho.gov site.
4. The Idaho Department of Commerce still manages and maintains a business page on its website at commerce.idaho.gov with links to business resources. This site was updated by a professional advertising and marketing agency in 2007 and although it is due for another technology update, the site at least employs some modern internet technology

and has a professional business appearance. Unfortunately the volume of resources referenced at this site is extremely limited. For example, if a guest clicks on the “business resources” button on the first page, the only “resource” that appears is a text narrative of the State’s federal procurement assistance office.

5. The federal business.gov website maintains a portal for Idaho at business.gov/states/Idaho. Federal technology is only slightly more up-to-date than Idaho technology, and the site links to the Idaho.gov site whose limitations have already been discussed.
6. The newly formed Idaho Technology Council has had preliminary discussions about housing pages that serve this purpose on their website. It should be noted however that by definition, their resources would presumably be targeted toward technology businesses within their field of vision and influence.

Another common occurrence at the Summits was that a panelist would describe services or resources that their company or organization provides and the review committees, co-panelists, and/or audience members would comment that it was the first time they had ever heard of this product, service, or resource in Idaho. This underscores the importance of developing a centralized clearinghouse for resources and information.



“...there’s not a widely known or obvious central source of information on what expertise is available in Idaho.”

—Mr. Bill Gilbert, Founder/Partner,  
The CAPROCK Group

Idaho should establish, fund, and maintain a web-based, centralized clearinghouse of resources for Idaho companies, entrepreneurs, or those interested in relocating to Idaho.

It is recommended that funding be provided to consolidate, renovate and maintain on a continuous basis, an Idaho web portal dedicated to aggregating and promoting resources that are available to businesses throughout the state.

The website should be managed by a volunteer oversight committee comprised of resource stakeholders, and it should be adequately funded to sustain at least 3 FTEs who will continuously monitor, update, and maintain the site, under the guidance of the committee. It is equally imperative that an advertising and marketing campaign be undertaken to promote the site and raise state and perhaps even national awareness of it. The committee and the agency where the website is domiciled should also be given the freedom to attract additional funding through sponsorship, advertising, and limited e-commerce on the site as permitted by Idaho law.

Alternatively, the State could allocate sufficient ongoing funding to contract with a private enterprise that can accomplish the full spirit of this recommendation. Because of the State’s sponsorship, State representation on the oversight committee to provide both management guidance and content input is essential.

While it appears to us that the Department of Commerce is the appropriate agency to have domiciliary “custody” of a statewide business resource website, we will defer to the Governor, the Legislature, the Secretary of State, and the Idaho Attorney General’s judgment relative to the site’s proper home. Our agencies stand ready to assist and encourage the development and maintenance of the site whether public or private and regardless of the particular agency, organization, or strategy chosen.

It is our opinion that the site should be modeled after the content — or at least the content strategy — of the IdahoBizHelp site and ISBDC’s input and guidance should be sought. An investment in the redesign, expansion, continuous maintenance and comprehensive marketing of their site would adequately satisfy this recommendation.

## CONCLUSION

It is the intention of the Department of Commerce and the Department of Finance to submit these recommendations to the Governor in the form of advice and counsel. They represent the collected, considered and synthesized perspectives and insights of panelists at the Governor's Finance Summit. Our State agencies made no attempt to determine or suggest the budgetary or political efficacy of any of the recommendations. Our agencies' advice represents its best assessment and determination — based on suggestions from finance and other business leaders — of what

public policies could work to advance the Governor's priorities of creating career-path jobs and economic opportunities for Idahoans, specifically in the area of increasing access to and availability of start-up, operating, and growth capital and the creative application of Idaho's financial and human resources. It is our intent to continue pursuing our foundational mission of advising the Governor on how most effectively to expand Idaho's economy and promote the general welfare and prosperity of our individual and commercial citizens.



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